

EXHIBIT E

**BEFORE THE
CALIFORNIA BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA**

In the Matter of the Accusation Against:

**LESLIE KLEIN
322 N. June Street
Los Angeles, CA 90004**

**Certified Public Accountant Certificate No.
67454**

Respondent.

Case No. AC-2019-62

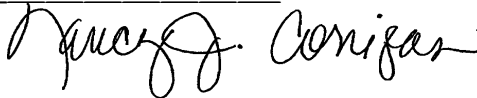
OAH No. 2019090073

DECISION AND ORDER

The attached Stipulated Surrender of License and Order is hereby adopted by the California Board of Accountancy, Department of Consumer Affairs, as its Decision in this matter.

This Decision shall become effective on May 13, 2020.

It is so ORDERED April 13, 2020.



FOR THE CALIFORNIA BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS

1 XAVIER BECERRA
Attorney General of California
2 MARC D. GREENBAUM
Supervising Deputy Attorney General
3 WILLIAM D. GARDNER
Deputy Attorney General
4 State Bar No. 244817
300 So. Spring Street, Suite 1702
5 Los Angeles, CA 90013
Telephone: (213) 269-6292
6 Facsimile: (916) 731-2126
Attorneys for Complainant
7

8 **BEFORE THE**
9 **CALIFORNIA BOARD OF ACCOUNTANCY**
10 **DEPARTMENT OF CONSUMER AFFAIRS**
11 **STATE OF CALIFORNIA**

12 In the Matter of the Accusation Against:

Case No. AC-2019-62

13 **LESLIE KLEIN**
322 N. June Street
Los Angeles, CA 90004

OAH No. 2019090073

14 **Certified Public Accountant Certificate No.**
15 **67454**

**STIPULATED SURRENDER OF
LICENSE AND ORDER**

16 Respondent.

17
18 IT IS HEREBY STIPULATED AND AGREED by and between the parties to the above-
19 entitled proceedings that the following matters are true:

20 **PARTIES**

21 1. Patti Bowers (Complainant) is the Executive Officer of the California Board of
22 Accountancy (CBA). She brought this action solely in her official capacity and is represented in
23 this matter by Xavier Becerra, Attorney General of the State of California, by William D.
24 Gardner, Deputy Attorney General.

25 2. Respondent Leslie Klein is represented in this proceeding by attorney Randall Dean,
26 whose address is: 11900 W. Olympic Boulevard, Suite 800, Los Angeles, California 90064.

27 3. On or about September 30, 1994, the California Board of Accountancy issued
28 Certified Public Accountant Certificate Number 67454 to Leslie Klein ("Respondent"). The

1 Certified Public Accountant Certificate was in full force and effect at all times relevant to the
2 charges brought in Accusation No. AC-2019-62 and will expire on January 31, 2021, unless
3 renewed.

4 **JURISDICTION**

5 4. Accusation No. AC-2019-62 was filed before the CBA, and is currently pending
6 against Respondent. The Accusation and all other statutorily required documents were properly
7 served on Respondent on June 7, 2019. Respondent timely filed his Notice of Defense contesting
8 the Accusation. A copy of Accusation No. AC-2019-62 is attached as Exhibit A and incorporated
9 by reference.

10 **ADVISEMENT AND WAIVERS**

11 5. Respondent has carefully read, fully discussed with counsel, and understands the
12 charges and allegations in Accusation No. AC-2019-62. Respondent also has carefully read, fully
13 discussed with counsel, and understands the effects of this Stipulated Surrender of License and
14 Order.

15 6. Respondent is fully aware of his legal rights in this matter, including the right to a
16 hearing on the charges and allegations in the Accusation; the right to confront and cross-examine
17 the witnesses against him; the right to present evidence and to testify on his own behalf; the right
18 to the issuance of subpoenas to compel the attendance of witnesses and the production of
19 documents; the right to reconsideration and court review of an adverse decision; and all other
20 rights accorded by the California Administrative Procedure Act and other applicable laws.

21 7. Respondent voluntarily, knowingly, and intelligently waives and gives up each and
22 every right set forth above.

23 **CULPABILITY**

24 8. Respondent understands that the charges and allegations in Accusation No. AC-2019-
25 62, if proven at a hearing, constitute cause for imposing discipline upon his Certified Public
26 Accountant Certificate.

27 9. For the purpose of resolving the Accusation without the expense and uncertainty of
28 further proceedings, Respondent agrees that, at a hearing, Complainant could establish a factual

1 basis for the charges in the Accusation and that those charges constitute cause for discipline.
2 Respondent hereby gives up his right to contest that cause for discipline exists based on those
3 charges.

4 10. Respondent understands that by signing this stipulation he enables the CBA to issue
5 an order accepting the surrender of his Certified Public Accountant Certificate without further
6 process.

7 **RESERVATION**

8 11. The admissions made by Respondent herein are only for the purposes of this
9 proceeding, or any other proceedings in which the CBA is involved and shall not be admissible in
10 any other criminal or civil proceeding.

11 **CONTINGENCY**

12 12. This stipulation shall be subject to approval by the CBA. Respondent understands
13 and agrees that counsel for Complainant and the staff of the CBA may communicate directly with
14 the CBA regarding this stipulation and surrender, without notice to or participation by
15 Respondent or his counsel. By signing the stipulation, Respondent understands and agrees that he
16 may not withdraw his agreement or seek to rescind the stipulation prior to the time the CBA
17 considers and acts upon it. If the CBA fails to adopt this stipulation as its Decision and Order, the
18 Stipulated Surrender and Disciplinary Order shall be of no force or effect, except for this
19 paragraph, it shall be inadmissible in any legal action between the parties, and the CBA shall not
20 be disqualified from further action by having considered this matter.

21 13. The parties understand and agree that Portable Document Format (PDF) and facsimile
22 copies of this Stipulated Surrender of License and Order, including PDF and facsimile signatures
23 thereto, shall have the same force and effect as the originals.

24 14. This Stipulated Surrender of License and Order is intended by the parties to be an
25 integrated writing representing the complete, final, and exclusive embodiment of their agreement.
26 It supersedes any and all prior or contemporaneous agreements, understandings, discussions,
27 negotiations, and commitments (written or oral). This Stipulated Surrender of License and Order
28

1 may not be altered, amended, modified, supplemented, or otherwise changed except by a writing
2 executed by an authorized representative of each of the parties.

3 15. In consideration of the foregoing admissions and stipulations, the parties agree that
4 the CBA may, without further notice or formal proceeding, issue and enter the following Order:

5 **ORDER**

6 IT IS HEREBY ORDERED that Certified Public Accountant Certificate No. 67454, issued
7 to Respondent Leslie Klein, is surrendered and accepted by the CBA.

8 1. The surrender of Respondent's Certified Public Accountant Certificate and the
9 acceptance of the surrendered license by the CBA shall constitute the imposition of discipline
10 against Respondent. This stipulation constitutes a record of the discipline and shall become a part
11 of Respondent's license history with the CBA.

12 2. Respondent shall lose all rights and privileges as a certified public accountant in
13 California as of the effective date of the CBA's Decision and Order.

14 3. Respondent shall cause to be delivered to the CBA his pocket license and, if one was
15 issued, his wall certificate on or before the effective date of the Decision and Order.

16 4. If Respondent ever files an application for licensure or a petition for reinstatement in
17 the State of California, the CBA shall treat it as a petition for reinstatement. Respondent must
18 comply with all the laws, regulations and procedures for reinstatement of a revoked or
19 surrendered license in effect at the time the petition is filed, and all of the charges and allegations
20 contained in Accusation No. AC-2019-62 shall be deemed to be true, correct and admitted by
21 Respondent when the CBA determines whether to grant or deny the petition.

22 5. Respondent shall pay the agency its costs of investigation and enforcement in the
23 amount of \$30,000.00 prior to issuance of a new or reinstated license.

24 **ACCEPTANCE**

25 I have carefully read the above Stipulated Surrender of License and Order and have fully
26 discussed it with my attorney. I understand the stipulation and the effect it will have on my
27 Certified Public Accountant Certificate. I enter into this Stipulated Surrender of License and

28 ///

1 Order voluntarily, knowingly, and intelligently, and agree to be bound by the Decision and Order
2 of the California Board of Accountancy

DATED: 3/19/2023

Leslie Klein
LESLIE KLEIN
Respondent

I have read and fully discussed with Respondent Leslie Klein the terms and conditions and
other matters contained in this Stipulated Surrender of License and Order. I approve its form and
content.

DATED: _____

Attorney for Respondent

ENDORSEMENT

The foregoing Stipulated Surrender of License and Order is hereby respectfully submitted
for consideration by the California Board of Accountancy of the Department of Consumer
Affairs.

ED: _____

Respectfully submitted,

XAVIER BECERRA
Attorney General of California
MARC D. GREENBAUM
Supervising Deputy Attorney General

WILLIAM D. GARDNER
Deputy Attorney General
Attorneys for Complainant

Order voluntarily, knowingly, and intelligently, and agree to be bound by the Decision and Order
of the California Board of Accountancy.

DATED: _____

LESLIE KLEIN
Respondent

I have read and fully discussed with Respondent Leslie Klein the terms and conditions and
other matters contained in this Stipulated Surrender of License and Order. I approve its form and
content.

DATED: March 19, 2020

Randall J. Dean
Attorney for Respondent

ENDORSEMENT

The foregoing Stipulated Surrender of License and Order is hereby respectfully submitted
for consideration by the California Board of Accountancy of the Department of Consumer
Affairs.

DATED: _____

Respectfully submitted,

XAVIER BECERRA
Attorney General of California
MARC D. GREENBAUM
Supervising Deputy Attorney General

WILLIAM D. GARDNER
Deputy Attorney General
Attorneys for Complainant

LA2019501499
Stipulated Surrender of License and Order.docx

Order voluntarily, knowingly, and intelligently, and agree to be bound by the Decision and Order of the California Board of Accountancy.

DATED: _____

LESLIE KLEIN
Respondent

I have read and fully discussed with Respondent Leslie Klein the terms and conditions and other matters contained in this Stipulated Surrender of License and Order. I approve its form and content.

DATED: _____

Attorney for Respondent

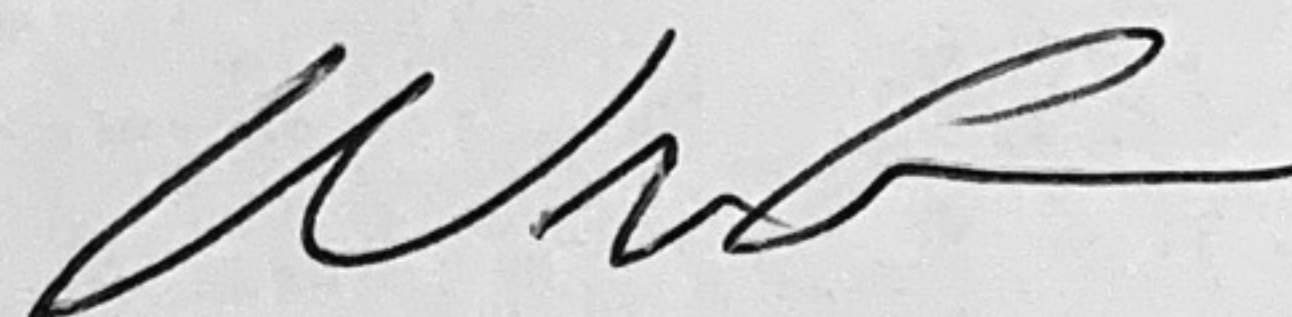
ENDORSEMENT

The foregoing Stipulated Surrender of License and Order is hereby respectfully submitted for consideration by the California Board of Accountancy of the Department of Consumer Affairs.

DATED: 3/20/2020

Respectfully submitted,

XAVIER BECERRA
Attorney General of California
MARC D. GREENBAUM
Supervising Deputy Attorney General



WILLIAM D. GARDNER
Deputy Attorney General
Attorneys for Complainant

LA2019501499
Stipulated Surrender of License and Order.docx

Exhibit A

Accusation No. AC-2019-62

1 XAVIER BECERRA
Attorney General of California
2 ARMANDO ZAMBRANO
Supervising Deputy Attorney General
3 KEVIN J. SCHETTIG
Deputy Attorney General
4 State Bar No. 234240
300 So. Spring Street, Suite 1702
5 Los Angeles, CA 90013
Telephone: (213) 269-6272
6 Facsimile: (213) 897-2804
Attorneys for Complainant
7

8 **BEFORE THE**
9 **CALIFORNIA BOARD OF ACCOUNTANCY**
10 **DEPARTMENT OF CONSUMER AFFAIRS**
11 **STATE OF CALIFORNIA**

12 In the Matter of the Accusation Against:

Case No. AC-2019-62

13 **LESLIE KLEIN**
14 322 N. June Street
Los Angeles, CA 90004

ACCUSATION

15 **Certified Public Accountant Certificate No.**
16 **67454**

17 Respondent.

18
19
20
21 Complainant alleges:

22 **PARTIES**

23 1. Patti Bowers ("Complainant") brings this Accusation solely in her official capacity as
24 the Executive Officer of the California Board of Accountancy, Department of Consumer Affairs.

25 2. On or about September 30, 1994, the California Board of Accountancy issued
26 Certified Public Accountant Certificate Number 67454 to Leslie Klein ("Respondent"). The
27 Certified Public Accountant Certificate was in full force and effect at all times relevant to the
28 charges brought herein and will expire on January 31, 2021, unless renewed.

JURISDICTION

3. This Accusation is brought before the California Board of Accountancy ("CBA"), Department of Consumer Affairs, under the authority of the following laws. All section references are to the Business and Professions Code unless otherwise indicated.

4. Section 5100.5, subdivision (a), states, "After notice and hearing the board may, for unprofessional conduct, permanently restrict or limit the practice of a licensee or impose a probationary term or condition on a license, which prohibits the licensee from performing or engaging in any of the acts or services described in Section 5051."

5. Section 5109 states that "[t]he expiration, cancellation, forfeiture, or suspension of a license, practice privilege, or other authority to practice public accountancy by operation of law or by order or decision of the board or a court of law, the placement of a license on a retired status, or the voluntary surrender of a license by a licensee shall not deprive the board of jurisdiction to commence or proceed with any investigation of or action or disciplinary proceeding against the licensee, or to render a decision suspending or revoking the license."

STATUTORY PROVISIONS

6. Section 5100 states:

"After notice and hearing the board may revoke, suspend, or refuse to renew any permit or certificate granted under Article 4 (commencing with Section 5070) and Article 5 (commencing with Section 5080), or may censure the holder of that permit or certificate for unprofessional conduct that includes, but is not limited to, one or any combination of the following causes:

...

(g) Willful violation of this chapter or any rule or regulation promulgated by the board under the authority granted under this chapter.

...

(i) Fiscal dishonesty or breach of fiduciary responsibility of any kind.

(j) Knowing preparation, publication, or dissemination of false, fraudulent, or materially misleading financial statements, reports, or information.

..."

REGULATORY PROVISIONS

7. California Code of Regulations, title 16, section 52, states:

“(a) A licensee shall respond to any inquiry by the Board or its appointed representatives within 30 days. The response shall include making available all files, working papers and other documents requested.

(b) A licensee shall respond to any subpoena issued by the Board or its executive officer or the assistant executive officer in the absence of the executive officer within 30 days and in accordance with the provisions of the Accountancy Act and other applicable laws or regulations.

(c) A licensee shall appear in person upon written notice or subpoena issued by the Board or its executive officer or the assistant executive officer in the absence of the executive officer.

(d) A licensee shall provide true and accurate information and responses to questions, subpoenas, interrogatories or other requests for information or documents and not take any action to obstruct any Board inquiry, investigation, hearing or proceeding.”

8. California Code of Regulations, title 16, section 58, states:

“Licensees engaged in the practice of public accountancy shall comply with all applicable professional standards, including but not limited to generally accepted accounting principles and generally accepted auditing standards.”

COST RECOVERY AND ADMINISTRATIVE PENALTIES

9. Section 5107 of the Code states, in pertinent part:

“(a) The executive officer of the board may request the administrative law judge, as part of the proposed decision in a disciplinary proceeding, to direct any holder of a permit or certificate found to have committed a violation or violations of this chapter to pay to the board all reasonable costs of investigation and prosecution of the case, including, but not limited to, attorneys’ fees. The board shall not recover costs incurred at the administrative hearing.

(b) A certified copy of the actual costs, or a good faith estimate of costs where actual costs are not available, signed by the executive officer, shall be prima facie evidence of reasonable costs of investigation and prosecution of the case.”

///

1 10. Section 5116 of the Code states in part:

2 “(a) The board, after appropriate notice and an opportunity for hearing, may order any
3 licensee or applicant for licensure or examination to pay an administrative penalty as provided in
4 this article as part of any disciplinary proceeding or other proceeding provided for in this chapter.

5 ...

6 (d) Administrative penalties assessed under this article shall be in addition to any other
7 penalties or sanctions imposed on the licensee or other person, including, but not limited to,
8 license revocation, license suspension, denial of the application for licensure, denial of the
9 petition for reinstatement, or denial of admission to the licensing examination. Payment of these
10 administrative penalties may be included as a condition of probation when probation is ordered.”

11 **PROFESSIONAL STANDARDS**

12 11. The CBA incorporates the following standards to all California licensees through
13 California Code of Regulations, title 16, section 58.

14 **AICPA Code of Professional Conduct (Version 2014)**

15 12. The American Institute of Certified Public Accountants (“AICPA”) Code of
16 Professional Conduct is part of *AICPA Professional Standards*. It includes The Rules of
17 Conduct, Interpretations of Rules of Conduct, and Ethics Rulings. The version relevant herein
18 was effective on December 15, 2014, and among the sections relevant herein are: section 0.100
19 (Principles and Rules of Conduct), section 0.200 (Structure and Application of the AICPA Code),
20 section 0.300 (Principles of Professional Conduct), section 0.400 (Definitions), section 1.000
21 (Members in Public Practice), section 1.110 (Conflicts of Interest), section 1.300 (Competence),
22 and section 1.310 (Compliance with Standards).

23 **Statement on Standards in Personal Financial Planning**

24 13. Standards applicable to personal financial planning services are discussed in the
25 Statement on Standards in Personal Financial Planning (“SSPFP”). The standards have been
26 issued by the Personal Financial Planning Executive Committee, the senior committee of the
27 AICPA designated to promulgate enforceable standards of Personal Financial Planning practice.
28 The statements are codified by “SSPFP” number with the pertinent section 100 applicable to the

1 issues herein.

2 **FACTUAL BACKGROUND**

3 14. On or about January 9, 2017, the CBA received a complaint from consumer J.C.S.
4 alleging issues related to her husband's trust (the "Trust Agreement"), dated December 24, 1992.
5 Consumer J.C.S. alleged Respondent embezzled funds, comingled funds, misrepresented
6 investments purchased, repeatedly produced quarterly financial reports that were misleading and
7 exerted undue influence over her husband, consumer H.S.

8 15. According to consumer J.C.S.'s complaint, Respondent insisted on doing all
9 investments, taxes, and monitoring of H.S.'s financial accounts. Further, consumer J.C.S.
10 provided information that H.S., the trustor of the Trust Agreement, was 86 years old with
11 dementia. Respondent was trustee of the Trust Agreement. Consumer H.S. died on December 4,
12 2016.

13 16. On May 20, 2015, in a conservatorship case bearing Case No. BP161682, the
14 Superior Court of California, County of Los Angeles, appointed a temporary conservator and
15 suspended all powers of attorney for consumer H.S.

16 17. On February 4, 2016, in Case No. BP161682, the Superior Court of California,
17 County of Los Angeles, appointed conservators for consumer H.S.'s estate and person, suspended
18 Respondent as trustee, and ordered Respondent not to have any direct contact with consumers
19 H.S. and J.C.S.

20 18. In 2005, consumer H.S.'s son died and H.S. received life insurance proceeds. In
21 2010, H.S. inherited a substantial sum upon the death of his brother. From 2011 to 2015,
22 Respondent received \$2,420,000 from consumer H.S. In a declaration dated April 8, 2016,
23 Respondent stated, "I was the financial planner for [H.S.] from 2011 to 2016."

24 19. Respondent failed to act in the best interest of consumer H.S.:

25 a. Respondent implemented investments that were improper due to the lack of
26 liquidity and diversification given consumer H.S.'s age, which was 85 as of November 18, 2015.

27 i. Each of the Non-Recourse Promissory Notes with an Irrevocable Life
28 Insurance Trust ("ILIT") was due and payable only upon the death of the policyholder. If the

1 premiums were not paid, the policy would lapse, rendering the Promissory Note worthless.

2 According to the accounting Respondent filed with the Los Angeles County Superior Court, as of
3 February 29, 2016, such promissory notes comprised \$2,270,000, or 85% of consumer H.S.'s
4 "investments."

5 ii. Each of the Non-Recourse Promissory Notes with Bay Area Development
6 Co. have identical terms. There were three notes in the amounts of \$300,000, \$100,000, and
7 \$400,000. The \$400,000 note was a replacement of the two prior notes. Each of the notes were
8 only due upon the sale of the property, were not recorded with the County Recorder, and did not
9 state who owned the property. There was no requirement or triggering event for the sale of the
10 property. Consequently, the borrower could hold onto the property indefinitely and never have to
11 repay the notes. In addition, the notes were poorly drafted. They each stated they were due upon
12 the sale of the real property, but also state that they were secured by the policies of life insurance.

13 iii. The promissory note dated February 1, 2015, for \$400,000, made up the
14 remaining 15% of consumer H.S.'s "investments."

15 iv. The only liquid asset reported in Respondent's accounting was \$8,100
16 held in the Leslie Klein & Associates Attorney Client Trust Account.

17 20. Respondent made investments that were self-serving. Consumer H.S.'s funds were
18 invested in loans to companies connected to Respondent, or as loans to ILITs where Respondent
19 was the sole trustee of each ILIT. Respondent's connections to those companies and the ILITs
20 create a conflict of interest and are documented as follows:

- 21 i. President of Bay Area Development Co.;
- 22 ii. Member/manager/partner of BW Life Settlements LLC;
- 23 iii. Member/manager/partner of GMR Life Settlements LLC;
- 24 iv. President of Times Square Media Inc.; and
- 25 v. Each of the ILIT loans are signed by Respondent as trustee for the ILIT.

26 21. Respondent failed to properly manage investments. Two of the companies involved,
27 BW Life Settlement LLC and GMR Life Settlements LLC, have been suspended by the Franchise
28 Tax Board or the Secretary of State.

1 22. Respondent deceived consumer H.S. as to the actual investments as follows:

2 a. In a letter to consumer H.S. dated June 10, 2011, Respondent stated funds were
3 or will be invested as follows:

4 i. \$500,000 loan to purchase a \$5 million policy on the life of M.G.;
5 ii. \$500,000 loan to purchase a \$5 million policy on the life of Y.Z.;
6 iii. \$190,901.50 invested in Daktronics along with \$209,100 from H.S.'s

7 checking account as a loan of \$400,000 to purchase a light emitting diode (LED) display in
8 Beaumont, California;

9 iv. "[T]he balance ... will be invested in various stocks that will pay
10 dividends of 5% in an account at Citibank, Smith Barney in stocks that will pay dividends. We
11 plan to invest in the following stocks: AT&T, McDonalds, Verizon, Philip Morris, and Coca
12 Cola."

13 b. In a letter to consumer H.S. dated August 1, 2011, Respondent stated funds
14 were or will be invested as follows:

15 i. \$500,000 in the M.G. policy;
16 ii. \$500,000 in the Y.Z. policy;
17 iii. \$750,000 with Times Square Media to purchase LEDs;
18 iv. The balance to be invested with the next ten days either in real estate on
19 the 1st Trust Deed on the property or in insurance policies from our various hedge funds.

20 Respondent advised that, "All of the above will pay a minimum interest of 8% due and payable
21 three years from today's date."

22 c. There is no evidence of the Daktronics or various stock investments, and they
23 are not reported in Respondent's accounting. In addition, the investment in Times Square Media
24 is not reported in Respondent's accounting.

25 d. When the Probate Investigator stated to Respondent, "So, in essence none of
26 these investments are in [consumer H.S.'s] name, but all are in your name and the fact is that
27 these are not investments, but you have borrowed these amounts of monies ... and these amounts
28 are in your name and you have agreed to pay [H.S.] 8% on these monies, but you have paid

1 nothing to date,” Respondent indicated, in the presence of consumers H.S. and J.C.S., that the
2 Probate Investigator was correct.

3 23. Respondent failed to maintain appropriate records of the invested funds. Respondent
4 stated in a letter dated August 1, 2011 that, “... this law firm has received from [H.S.] a total of
5 \$2,860,901.50.” A comparison of the funds provided to Respondent for investments with the
6 cancelled checks provided by consumer J.C.S. and Respondent’s accounting indicates the subtotal
7 invested as of August 1, 2011, is \$3,700,000, and the total invested as of February 1, 2015, is
8 \$5,048,000. Both amounts are significantly more than the amount of \$2,860,901.50 reported by
9 Respondent as received for investment. While some of the Promissory Notes may have been
10 repaid and funds reinvested, there is no documentation of any repayment of either the Promissory
11 Notes or receipt of the related interest earned.

12 24. Despite multiple written requests from consumer H.S., Respondent failed to provide
13 accurate reports or statements to H.S. Further, Respondent provided consumer H.S. with false or
14 misleading information about the “investment” of his funds.

15 25. Respondent, through his attorney, stated in a letter dated June 29, 2018, that
16 Respondent was not consumer H.S.’s tax preparer or advisor. In this letter, Respondent also
17 asserted that he did not have personal knowledge as to the tax treatment of the interest statements
18 or whether that was reflected on H.S.’s tax returns. These statements were not true and accurate.
19 Respondent was associated with consumer H.S.’s tax returns for 2012, 2013, and 2014. Further,
20 Respondent signed consumer H.S.’s income tax returns for 2014 as the paid tax preparer. In
21 addition, in a letter dated May 12, 2011, from Respondent to Mr. Levin of BW Life Insurance
22 Settlements LLC, Respondent stated, “You will not issue a 1099 form to [consumer H.S.] as the
23 interest payment will be paid from the death proceeds.”

24 26. Respondent exerted undue influence over consumer H.S. The Probate Investigator’s
25 Report dated May 8, 2015, describes her interviews with consumers H.S., J.C.S. and Respondent
26 on May 5, 2015. The Probate Investigator noted, “There appears to be substantial undue
27 influence by the attorney/Financial Advisor/Trustee, which is not and has not been in the best
28 interest of the proposed conservatee to date.”

FIRST CAUSE FOR DISCIPLINE

(Breach of Fiduciary Responsibility)

27. Respondent is subject to disciplinary action under section 5100, subdivision (i), in that Respondent breached his fiduciary responsibility as Trustee to consumer H.S. Respondent implemented investments that were improper due to the lack of liquidity and diversification given consumer H.S.'s advanced age, made investments that were self-serving, failed to properly manage investments, deceived consumer H.S. as to the actual investments, failed to maintain appropriate records of the invested funds, and despite multiple written requests from consumer H.S., Respondent failed to provide accurate reports or statements to consumer H.S. Complainant refers to and by this reference incorporates the allegations set forth above in paragraphs 14 through 26, inclusive, as though set forth fully herein.

SECOND CAUSE FOR DISCIPLINE

(Knowing Preparation of Misleading Financial Information)

28. Respondent is subject to disciplinary action under section 5100, subdivision (j), in that Respondent provided consumer H.S. with false or misleading information about the "investment" of consumer H.S.'s funds. Complainant refers to and by this reference incorporates the allegations set forth above in paragraphs 14 through 26, inclusive, as though set forth fully herein.

THIRD CAUSE FOR DISCIPLINE

(Failure to Comply with Professional Standards)

29. Respondent is subject to disciplinary action under section 5100, subdivision (g), in conjunction with Code of Regulations, title 16, section 58, in that Respondent failed to perform his responsibilities in accordance with professional standards promulgated by the AICPA Code of Professional Conduct and Statement on Standards in Personal Financial Planning. Complainant refers to and by this reference incorporates the allegations set forth above in paragraphs 14 through 26, inclusive, as though set forth fully herein.

///

///

FOURTH CAUSE FOR DISCIPLINE

(Failure to Respond to CBA Inquiry)

30. Respondent is subject to disciplinary action under section 5100, subdivision (g), in conjunction with Code of Regulations, title 16, section 52, in that Respondent, through his attorney, made statements to the CBA that were not true and accurate. Complainant refers to and by this reference incorporates the allegations set forth above in paragraphs 14 through 26, inclusive, as though set forth fully herein.

FIFTH CAUSE FOR DISCIPLINE

(Unprofessional Conduct)

31. Respondent is subject to disciplinary action under section 5100, in that Respondent exerted undue influence over consumer H.S. Complainant refers to and by this reference incorporates the allegations set forth above in paragraphs 14 through 26, inclusive, as though set forth fully herein.

SIXTH CAUSE FOR DISCIPLINE

(Willful Violation)

32. Respondent is subject to disciplinary action under section 5100, subdivision (g), in that Respondent willfully violated provisions of Business and Professions Code, Division 3, Chapter 1, failed to comply with professional standards, failed to comply with court orders, and made false statements in response to the CBA's inquiry. Complainant refers to and by this reference incorporates the allegations set forth above in paragraphs 14 through 26, inclusive, as though set forth fully herein.

///

///

///

///

///

///

///

PRAYER

WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged, and that following the hearing, the California Board of Accountancy issue a decision:

1. Revoking or suspending, restricting, limiting or otherwise imposing discipline upon Certified Public Accountant Certificate Number 67454, issued to Leslie Klein;

2. Ordering Leslie Klein to pay the California Board of Accountancy the reasonable costs of the investigation and enforcement of this case, pursuant to Business and Professions Code section 5107;

3. Ordering Leslie Klein to pay the California Board of Accountancy an administrative penalty pursuant to Business and Professions Code section 5116; and,

4. Taking such other and further action as deemed necessary and proper.

DATED: June 5, 2019

Patti Bowers
PATTI BOWERS
Executive Officer
California Board of Accountancy
Department of Consumer Affairs
State of California
Complainant

LA2019501499
53407725.docx